

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 03112 260551Z

16

ACTION TRSE-00

INFO OCT-01 EA-06 NEA-10 ISO-00 IO-10 PA-01 PRS-01 USIA-06

L-03 H-02 SP-02 AID-05 EB-07 NSC-05 CIEP-01 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 (ISO) W

----- 060577

R 260131Z JUN 75

FM AMMBASSY DACCA

TO SECSTATE WASHDC 7215

INFO AMEMBASSY ISLAMABAD

AMEMBASSY MANILA

AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE DACCA 3112

MANILA FOR ADB

EO 11652: N/A

TAGS: EFI, BG

SUBJ: 1975/1976 BANGLADESH BUDGET - PRELIMINARY REPORT

SUMMARY: FINANCE MINISTER DR. A. R. MALLICK DELIVERED
FY 76 BUDGET AND ANNUAL DEVELOPMENT PLAN ALLOCATIONS
TO PARLIAMENT ON JUNE 23. NO NEW ECONOMIC POLICY
MEASURES WERE ANNOUNCED IN CONJUNCTION WITH BUDGET.
REVENUE BUDGET RECEIPTS REFLECT INCREASED REVENUE DUE
TO DEVALUATION. HOWEVER, REVENUE BUDGET EXPENDITURES

DO NOT APPEAR TO REFLECT SIGNIFICANTLY HIGHER TAKA
COST OF IMPORTS. ANNUAL DEVELOPMENT PLAN (ADP) SECTOR
ALLOCATIONS ANNOUNCED BUT PLAN ITSELF WILL NOT BE
AVAILABLE FOR 2-3 MONTHS. TOTAL ADP ALLOCATIONS UP
11 PERCENT IN DOLLAR TERMS FROM \$656 MILLION IN FY 75
TO \$730 MILLION IN FY 76. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 03112 260551Z

1. REVENUE BUDGET (IN CRORES (10 MILLION) OF TAKA)

A. RECEIPTS

	FY 75	FY 76
	REVISED BUDGET	BUDGET
CUSTOMS	140.0	240.0
EXCISE DUTIES	144.0	155.0
INCOME, CORPORATION AND AGRICULTURAL INCOME		
TAXES	45.1	65.1
SALES TAX	58.0	105.0
NATIONALIZED SECTOR	19.4	21.4
LAND REVENUE	5.5	5.5
STAMPS AND REGISTRATION	21.0	17.5
POST OFFICE (NET)	-3.4	-4.1
TELEPHONE AND TELEGRAPH	4.4	3.7
INTEREST RECEIPTS	32.1	63.7
RAILWAY	40.8	43.9
OTHER	88.7	38.8
TOTAL	596.0	755.5

B. REVENUE EXPENDITURES (NON-DEVELOPMENT)

	FY 75	FY 76
	REVISED BUDGET	BUDGET
REVENUE COLLECTION	17.0	18.4
CIVIL ADMINISTRATION	128.1	134.6
DEFENSE	71.0	75.0
EDUCATION	82.4	89.7
HEALTH	19.2	24.7
CIVIL WORKS	20.1	21.6
INTEREST PAYMENTS	26.9	38.9
OTHER	126.2	122.3
RAILWAY	40.2	43.9
UNEXPECTED EXPENDITURES	0	30.0
TOTAL	531.1	599.1

C. COMMENT ON REVENUE BUDGET. INCREASED RECEIPTS

DUE PRIMARILY TO SHARPLY HIGHER CUSTOMS AND SALES TAX REVENUES REFLECTING WINDFALL GAINS AS RESULT OF HIGHER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DACCA 03112 260551Z

TAKA COST OF IMPORTS AFTER DEVALUATION. NO MAJOR CHANGES IN TAX SYSTEM WERE PROPOSED BUT SOME TAX RELIEF PROPOSED FOR MIDDLE AND UPPER INCOME GROUPS. NET EFFECT OF DEVALUATION AND PROPOSED TAX CHANGES MAKE TAX SYSTEM MORE REGRESSIVE. EXPENDITURE LEVELS PROBABLY DO NOT REFLECT THE HIGHER TAKA COST BUT WILL HAVE TO PAY FOR THE THINGS IT IMPORTS. WHILE LARGEST SINGLE EXPENDITURE IS FOR SALARIES, GOVERNMENT USES SIZEABLE AMOUNTS IMPORTED ITEMS.

2. ANNUAL DEVELOPMENT TIRAN ALLOCATIONS (IN CRORES OF TAKA)

A. SECTOR ALLOCATIONS

	FY 75	FY 76	
	REVISED BUDGET	BUDGET	
AGRICULTURE	63.9	115.0	
RURAL INSTITUTIONS	28.5	48.0	
WATER AND FLOOD CONTROL	86.0	136.0	
INDUSTRIES	65.0	136.0	
POWER, ETC..	71.2	151.0	
TRANSPORT	81.3	125.0	
COMMUNICATIONS	18.6	34.5	
PHYSICAL PLANNING, HOUSING	34.0	66.0	
EDUCATION AND TRAINING	28.8	45.0	
HEALTH	21.8	33.0	
POPULATION PLANNING	7.7	25.0	
SOCIAL WELFARE	2.0	4.0	
MANPOWER AND EMPLOYMENT	1.3	3.0	
CYCLONE RECONSTRUCTION	15.0	28.5	
TOTAL	525.1	950.0	

B. COMMENT ON ANNUAL DEVELOPMENT PLAN ALLOCATIONS.

LARGE TAKA INCREASE IN DEVELOPMENT EXPENDITURES IS LARGELY RESULT OF DEVALUATION. CONVERTED TO DOLLARS BUDGETED INCREASE IN ENPENDITURES IS \$74 MILLION OR 11 PERCENT. LARGEST PERCENTAGE INCREASE IN ANY ALLOCATION IS FOR NEW POPULATION PLANNING STAFF. INDUSTRIES AND POWER WERE ALSO

BENEFICIARIES OF REAL INCREASE IN ALLOCATIONS, PROBABLY REFLECTING SERIOUS SPARE PARTS AND REPLACEMENT PARTS PROBLEMS IN THESE SECTORS. IN HIS SPEECH FINANCE MINISTER SAID TAKA 10 CRORE (APPROXIMATELY \$7.7 MILLION) IS ALLOCATED FOR INSTITUTING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 DACCA 03112 260551Z

COMPLUSORY COOPERATIVES IN 60 TO 100 VILLAGES DURING THIS ADP PERIOD.

3. WE HAVE JUST OBTAINED COMPLETE SET OF BUDGET DOCUMENTS. WE WILL CABLE COMPLETE ANALYSIS AS SOON AS POSSIBLE. BOSTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975DACCA03112
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750222-0047
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750610/aaaaaizu.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUL 2003 by ShawDG>; APPROVED <23 JUL 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 1975/1976 BANGLADESH BUDGET - PRELIMINARY REPORT SUMMARY: FINANCE MINISTER DR. A. R. MALLICK DELIVERED
TAGS: EFIN, BG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006